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World Sunflower Crop Down

U.S. Farm Exports to EC

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This week's cover:

U.S. cotton being loaded aboard ship for export. Cotton was only one of the major U.S. farm exports to the European Community in 1971-72. For an up-to-date account of the fortunes of U.S. agricultural products in the EC market, see the story beginning on page 4.

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World Production Of Sunflowerseed Lowest in 5 Years

WORLD SUNFLOWERSEED production in calendar 1971 was the lowest since 1967. The decline was significant as reductions were concentrated in the major producer-exporter countries while most of the increases were in nonexporting countries.

The world's largest producer, the Soviet Union, harvested 400,000 tons less than in 1971 due to a 6-percent drop in acreage, while Argentina, second in world production, had a sharp drop in yield combined with slightly smaller acreage, resulting in 310,000 tons less output.

Increases in Europe were mainly in Spain, Bulgaria, Yugoslavia, and France. Production also was up considerably in minor producing countries such as the United States and Australia.

For 1972, sunflowerseed oil production in the four major producer-exporter countries (the Soviet Union, Romania, Bulgaria, and Argentina) is estimated at 2.95 million tons—123,000 tons less than in 1971 and the fourth consecutive year of decline. Oil production in 1972 is estimated on the basis of seed harvested in the fall of 1971 in Northern Hemisphere countries and in early 1972 in Southern Hemisphere countries, using assumed average percentages for crushing and oil extraction.

Monthly oil production statistics from the Soviet Union indicate that State vegetable oil production from September 1971 to May 1972 totaled 2.15 million metric tons—57,000 tons below the same 9-month period of the previous season, 1970-71.

Considering the record 1971 cottonseed crop, which should be generating a slight increase in production of cottonseed oil in 1971-72, Soviet production of sunflowerseed oil is running perhaps 75,000 tons behind the same period last year.

The overall decline in calendar 1972 sunflowerseed oil production in the major producer-exporter countries is expected to result in smaller exports of both sunflowerseed and oil as well as some depletion of stocks this year. Exports from these countries will probably be down to less than 500,000 tons—a drop of 150,000 tons. This would be the smallest export volume since 1965 and 675,000 tons below the record volume of nearly 1.2 million tons exported by the four major producers in 1968.

WORLD OUTPUT of sunflowerseed in 1972 is expected to recover significantly. If yields in the Soviet Union, Romania, Spain, Turkey, and the United States are as large as anticipated, output may be nearly 10.3 million tons when combined with the expanded volume already harvested in Australia, Uruguay, and South Africa. This combined volume would represent a new record large output. The bulk of the increased output would be due to the larger acreage and yield expected in the Soviet Union, Australia, Romania, and the United States.

If the seed harvests recover as anticipated this year, it is expected that oil output in the four major producer-exporter countries would increase by about 250,000 tons.

Assuming a trendline increase of about 100,000 tons in domestic consumption in these four countries, export availabilities of sunflowerseed and oil would recover by roughly 150,000 tons in 1973, thus approximating the estimated 1970 volume of 724,000 tons.

Although combined export availabilities of sunflowerseed oil are down significantly this year, prices for sunflowerseed oil in recent months are below those of the same period a year ago. The drop in price probably reflects the lower price level for edible vegetable oils in general. Despite the monthly decline in prices from January to June 1972, prices for that period averaged 50 percent above the average for the January-June period during 1966-70.

However, from January to June 1972, sunflowerseed oil in Europe became increasingly expensive compared with soybean oil because of a relatively sharp decline in soybean oil prices. The sunflowerseed oil price for June in Europe was 15.5 U.S. cents per pound —a record 5.6 cents or 57 percent above the price of soybean oil.

In calendar year 1971, the monthly price premium averaged 3 U.S. cents per pound, compared with 1.9 cents per pound in 1970 and an average of only 0.3 cent per pound during the January-June period of 1966-70.

Combined imports of sunflowerseed and oil by selected major importing countries were down to roughly 450,000 tons, oil basis—about 80,000 tons or 15 percent below the 1970 volume. Most of the reduction was in imports of sunflowerseed—possibly reflecting the growing demand for higher protein feeds, hence oilseeds, in the major European sunflowerseed exporting countries. Thus, imports of sunflowerseed on an oil basis accounted for less than one-fifth of total imports of sunflowerseed and oil in 1971 compared with one-fourth of the total for both commodities in 1970.

Imports of sunflowerseed by selected major importing countries in 1971 were off by more than 100,000 tons or 35 percent below the 1970 volume. Smaller purchases by the European Community accounted for most of the decline. However, sharply reduced purchases from Yugoslavia, the Soviet Union, Bulgaria, and Romania accounted for the bulk of the 1971 downtrend.

SUNFLOWERSEED OIL IMPORTS by major importing countries declined less than 30,000 tons or only 7 percent below the 1970 volume. Austria, Spain, Sweden, the United Kingdom, and Morocco received smaller amounts while the European Community and Poland took larger amounts. The aggregate reduction of sunflowerseed oil imports was caused by smaller purchases from Argentina and Hungary.

GREECE FACES LEAF TOBACCO PRODUCTION CRISIS

By JAMES C. FRINK
U.S. Agricultural Attaché
Athens

Oriental tobacco drying in the sun.

Tobacco growing in Greece is at a major crossroads. Production, about 80 percent of which is exported, is declining; Greek tobaccos are less competitive in Western Europe, their most important market; and new worldwide sensitivity to pesticides is creating difficult production problems.

With the National Tobacco Board actively in the forefront, the Government is wrestling with each of these major problems. Efforts are being made to reverse the long-term downtrend in the production of oriental leaf for export and the recent production downtrend in burley—the quality of which is reported to be second only to that of U.S. burley.

Oriental leaf tobacco for domestic use faces the relatively minor problem of slight farmer dissatisfaction with the Government-set prices and blue-mold control. Production of this type of tobacco is not subsidized except for partial payment by the Government of the costs of fertilizers, equipment, and similar production inputs.

Burley production is being adversely affected by the European Community's Common Agricultural Policy (CAP) for tobacco. This, in turn, is contributing to a general dissatisfaction among growers with present low prices and the pesticide problem associated with blue-mold control.

Until recently, burley had not been greatly aided by Government programs. Now it is being subsidized at the farm level under a new program similar to one that has been in use for many years for oriental export leaf. Minimum prices, based on newly established Government grades, are also being inaugurated. Leaf not purchased by merchants is being purchased from growers by a Government-sponsored agency and is to be disposed of eventually. This practice could mean the equivalent of an export subsidy. The Government's objective in establishing this program is to offset the price advantage that Italian burley now has in the international market under the EC tobacco CAP.

Production of the oriental export type is suffering from the exodus of small farmers moving to the larger cities of Greece and Western Europe where incomes are higher and life is easier. Blue-mold control is also a problem for this type of production.

Now, in addition to the "income support" production subsidy that has been in effect for many years in Greece and is being continued, a new special production subsidy program is underway to encourage the production of the oriental export-type tobacco. Under this new program, growers receive grants of up to 60 percent of the purchase price for certain equipment such as transplanters, irrigation equipment, sprayers, needling machines, and other items more feasible for large production units.

The degree (percent) of the subsidies (grants) is greater for large units, groups of individual farms, or corporate firms, than for small units. By providing higher rates of subsidies to large units, the Greek Government is hoping to encourage consolidation of production units to increase the potential for labor-saving mechanization.

On the pesticide front efforts are being made to get importing countries to increase tolerances, develop acceptable methods of pest controls including the use of less objectionable pesticides, and minimize the field use of pesticides.

The degree to which the Greek Government will accomplish its objectives is impossible to forecast. The obstacles are many. Under present price relationships, including current levels of subsidies, farmers often find the production of cotton and other crops more rewarding than that of tobacco. The attractiveness of higher incomes in the cities will continue to entice a segment of the farm population, especially the younger generation. Field use of the fungicides now being used for blue-mold control cannot be abandoned without severely reducing tobacco production, unless acceptable and effective substitutes are found.

Reports indicate that the 1971 crop of burley is being purchased for export without difficulty under the new price structure and some domestic burley will be used by the domestic manufacturers as they carry out their announced intention to expand the output of U.S.- and European-type cigarettes.

Interest in flue-cured leaf production has been rearoused with the United Kingdom, Ireland, Norway, and Denmark in the process of becoming EC members. All are large users of flue-cured tobacco, especially England and Ireland. The Greek Government, international leaf traders, and foreign manufacturers, on a very small scale, have been field testing flue-cured leaf production in Greece for many years.

However, it is the consensus of competent authorities that the quality of flue-cured leaf produced in Greece is not acceptable to the international trade. Since no great pressures are being exerted from potential customers abroad, no extensive research work is now being done to determine if the problems of quality and commercial production can be overcome. Sufficient skills do not now exist in Greece, either for adequate research and testing or for field production. Therefore, authorities do not believe that production and export of flue-cured leaf, or of other leaf tobaccos not now being produced, will become significant soon.

It is the Greek Government's policy to fully exploit all foreign-exchange-earning possibilities. Therefore, domestic programs are often modified to provide the incentives needed to maintain or expand export-earning activities. The direction in which production and exports move will develop gradually in the months ahead.

U.S. Farm Product Exports To the European Community

By DEWAIN RAHE
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U.S. agricultural exports to the European Community (EC) in fiscal 1972 were about equal to those of the preceding year, when adjustment is made for commodities transshipped to third countries and for transshipments through Canada. Shipments of items covered by the EC's variable levies fell somewhat, while those of non-variable-levy products rose to a new high.

Without this adjustment for transshipments, U.S. agricultural exports to the EC rose to $1.89 billion in FY 1972, 7 percent above the prior year. (Data for these transshipments should be available in October.)

The export total of the past year was achieved despite a number of unfavorable developments affecting U.S. agricultural exports to the EC. First, EC grain production reached an alltime high of 75.8 million metric tons in 1971, reducing EC import requirements of grains and expanding EC exports of certain types of grains, primarily barley and soft wheat.

The longshoremen's strikes at west, east, and gulf coast ports during the first half of the year hampered U.S. agricultural exports. However, increased shipments through the St. Lawrence Seaway, stepped-up shipments prior to the strike, and heavy movements after the strike somewhat tempered the adverse effects.

International monetary uncertainty caused confusion and delayed some U.S. agricultural exports. In the second half of the year, exports picked up sharply, primarily because of reduced grain production of some major competitors, especially Argentina and Australia. The prospects of smaller grain production in Eastern Europe and the USSR caused EC buyers to turn to the United States for more of their needs.

The devaluation of the U.S. dollar and the revaluation of EC currencies did little to stimulate exports to the EC of those U.S. agricultural products that are subject to variable levies. The EC imposed compensatory levies on some commodities regulated by the CAP to offset the effects of currency realinements in order to protect its domestic agricultural products from increased U.S. competition.

In May, part of these compensatory taxes were included into higher variable levies. Since then the taxes have been approximately 5.7 percent in Germany, 4.0 percent in Benelux, and 1.9 percent in France. Compensatory taxes were eliminated in Italy.

On July 31, the EC dropped the compensatory taxes on a few products, following the U.S. protest to the General Agreement on Tariffs and Trade (GATT) against compensatory changes in excess of GATT bound duty rates; however, the compensatory taxes are still in effect on products not subject to bindings—notably grains and poultry.

The favorable U.S. trade balance with the EC has diminished in the past year—hitting an alltime low of $189 million in 1971-72, compared with the record of $1.7 billion in 1969-70. The decline was caused by a substantial gain in U.S. imports of nonagricultural products, while U.S. exports of nonfarm products showed a much slower increase. In 1971-72, nonagricultural products had a deficit of $1.2 billion, compared with a deficit of only $177 million in 1971 and a surplus of $218 million 10 years ago.

The U.S. agricultural trade balance, on the other hand, gained by $100 million to reach an alltime high of $1.4 billion in 1971-72. This is the fourth year in a row that the agricultural trade balance with the EC has advanced.

The upward trend of U.S. agricultural exports to the EC has been at an annual rate of 5 percent a year since 1956. Nearly all of this gain resulted from expansion of exports not subject to the variable levies. Overall, exports of commodities not subject to variable levies gained 6 percent a year.

This rate accelerated in recent years with the sharply increased use of nongrain feeds requiring additional protein supplements, and with the development of modern feeding and production techniques. Exports of commodities subject to variable levies, on the other hand, declined from the peak of $716 million in 1965-66 to $351 million in 1969-70. Shipments of poultry products, wheat, and feedgrains were hardest hit.

In addition to the decline in U.S. feedgrain exports and the failure of U.S. grains to share in the growing internal EC grain market, U.S. exports have faced the competition of highly subsidized EC grain in third countries.

The pattern of U.S. agricultural exports to the EC has been closely associated with movements of total exports to all countries. From 1955-56 to 1971-72, U.S. exports to the EC grew an average of 5 percent a year, the same as those to all countries if no adjustment is made for transshipments and noncommercial sales. However, the average annual rate of gain of U.S. exports to Japan has been nearly 10 percent annually since 1955-56.

Variable-levy items

U.S. exports of variable-levy items totaled $460 million in 1971-72, down from $479 million a year earlier. If the variable-levy total is adjusted for transshipments, U.S. exports of variable-levy

Irish grain production may increase.

Rotterdam is a major transshipment point for EC imports of grains and soybeans.

items to the EC would drop even more.

The downward trend in variable-levy commodities indicates that U.S. exports have been adversely affected by the expansion of EC production which has been stimulated by high EC price support levels. Since 1966, U.S. exports of commodities subject to the variable levies have shown a downward trend of 7 percent annually.

The decline in exports in 1971-72 was due to reductions in shipments of wheat, rice, and turkeys. Feedgrain exports increased in volume by nearly 1 million tons; however, value was up only $14 million, reflecting the lower unit value of feedgrain exports in 1971-72. Preliminary import data from the EC member countries indicated that purchases of U.S. feedgrains may have dropped by about 1 million tons in 1971-72. Thus, the reported increase may reflect stepped-up transshipments to other European countries.

Feedgrains. U.S. exports of feedgrains—after adjustment for transshipments—have been declining and in 1971-72 continued to trail the record level exported prior to the unification of EC prices. Although total quantities of feedgrains consumed have increased sharply, the percentage of feedgrains used in EC animal rations has declined rapidly in recent years. Nongrain feeds, such as beet pulp, corn byproducts, bran, and manioc, have been substituted. At the same time, EC production of coarse grains has increased to 41.8 million tons in 1971 from 29.8 million tons in 1965.

The EC now is about 87 percent self-sufficient in the production of feedgrains compared with 80 percent self-sufficiency in 1955-56. At the same time, the domestic utilization of feedgrains, primarily for the expanding livestock industry, increased by two-thirds (to 40 million tons) in 1972. After 1966, the United States did not share in this expanding EC market for feedgrains.

Wheat. U.S. exports of wheat to the EC fell sharply in 1971-72 because of the substantial increase in EC production (up to 34.2 million tons). The value of U.S. exports totaled only $56 million in 1971-72, down sharply from the $82 million of a year earlier. The U.S. share of total EC wheat imports declined slightly in 1971-72, to about a quarter of the total.

U.S. wheat exports to the EC have fluctuated widely since 1955-56. For example, the total value of shipments reached a high of $188 million in 1956-57 and dropped to a low of $35 million in 1964-65.

There has been a general trend toward increased intra-EC trade, while imports from outside the EC have remained relatively stable. While the EC will continue to import relatively large quantities of high-protein wheat for blending, it will also continue to be a net exporter of wheat.

Rice. The value of U.S. rice exports to the EC declined in 1971-72 to $14 million from $21 million a year earlier. U.S. exports met increased competition, especially from Latin America (Brazil, Uruguay, and Argentina). The U.S. share of the rice market declined to 20 percent in 1971-72. West Germany, the largest EC market for U.S. rice, took around $7.9 million of the total, followed by France, which bought $3.1 million.

Prior to 1970-71, U.S. exports of long-grain rice showed moderate gains. Most Northern European countries generally prefer long-grain rice. Rice production in France and Italy is mostly short grain, which is consumed domestically or exported to third countries; however, EC producers are experimenting with long-grain rice for the EC market.

Poultry. U.S. exports of poultry meat declined again in 1971-72. Poultry meat exports have declined steadily since the inception of the variable levies in 1962. Our exports of poultry and products fell to only $10 million in 1971-72 from $65 million in 1961-62. (The total for 1961-62 was inflated somewhat by large shipments near the end of the year, to avoid the variable levies which started on Aug. 1, 1962.)

Prior to the imposition of the variable levies, the United States was competitive with other producers including those within the Community. The stimulation of higher prices and the protection of variable levies have trebled EC production since the beginning of the CAP. The EC now is self-sufficient in poultry meats, except turkey. However, the per capita consumption of poultry in the EC totaled only 23 pounds per person in 1971, compared with 50 pounds per person in the United States.

With lower prices, consumption would be likely to rise sharply; and if variable levies were not imposed, the United States would be able to share in this large market. In recent years, most of the decline in exports has occurred in turkeys. The higher supplementary levies have effectively reduced U.S. exports of these products.

Most other variable-levy items inched up slightly from a year earlier. Increases occurred for beef, pork, rye, and dairy products. Because of larger EC pork production, lard imports declined sharply. However, the overall trend for U.S. exports of these products has been downward since the inception of the CAP in 1962.

Non-variable-levy commodities

The increase occurring in non-variable-levy commodities since the unification of prices in 1967 has more than offset the drop in U.S. exports of variable-levy items. Non-variable-levy items have increased to $1.43 billion in 1971-72 from only $0.9 billion in 1965-66 and $0.5 billion in 1955-56. But the composition of the variable-levy group has changed significantly in this period.

For example, cotton exports to the EC, after reaching an alltime high of $402 million in 1956-57, declined to only $18 million in 1969-70. However, cotton exports picked up in 1971-72 to $53 million.

The decline in cotton was more than offset by the substantial rise in soybeans and soybean meal. Soybeans alone totaled $541 million in 1971-72, compared with only $69 million in 1955-56. Exports of tobacco, variety meats, nuts, fruits, and corn byproducts not subject to the variable levies also gained sharply in recent years.

Oilseeds and products. The value of exports of oilseeds and products advanced to a record $855 million, nearly $100 million above the previous year's record. The sharp increase in exports of soybeans and soybean meal has been the brightest spot of the export picture with the EC since the unification of grain prices in 1967.

Overall, exports of soybeans and products have gained at an annual rate of over 10 percent since 1955-56. Demand for meat and other livestock products has gained dramatically in recent years with the steady rise in per capita income. EC policy has been to supply this increased demand for meat and livestock products by increasing production of meat, dairy products, and poultry.

At the same time, the high grain prices stimulated the substitution of nongrain feeds which require additional protein supplements. The low price and high quality of U.S. protein meal further encouraged its liberal use. Alternate protein supplies, mainly fishmeal and peanut meal, have been in short supply and generally cost more than U.S. soybeans; also, they are less well suited for poultry breeding. The EC now imports nearly all of the protein supplements for the mixed feed industry. U.S. exports represent about 60 percent of total imports.

The EC is the most important market for U.S. soybean meal. Exports of soybean meal to the EC rose slightly to $245 million in 1971-72. Tight U.S. supplies and higher prices limited the gain in U.S. soybean meal exports in the past year.

Expansion in U.S. meal exports occurred despite the substantial gain in the EC's oilseed crushing capacity—now 250 million bushels annually compared with around 75 million bushels in the early 1960's. Since the EC's protein requirements are much greater than its needs for oil, it will probably continue to import large quantities of meal. But the growth in meal exports will slow considerably with increased crushing ability.

The value of U.S. exports of vegetable oils to the EC increased to $33 million in 1971-72 from $22 million a year earlier. Most of the gain was accounted for by cottonseed oil. There has also been a sharp increase in U.S. exports of miscellaneous oils to the EC. Most of the soybean oil, which comes largely from the crushing of U.S. beans, is used mainly in the manufacture of margarine and salad and cooking oil. In recent years, the supply of soybean oil has exceeded demand, and exports to third countries by the EC have increased significantly.

U.S. cottonseed oil totaled $12 million in 1971-72, up from $10 million in 1970-71 but down considerably from the $42 million exported in 1956-57. Smaller U.S. production of cotton and higher prices have discouraged EC imports of U.S. cottonseed oil. In addition, there has been very strong competition in most years by sunflower oil from the USSR and Eastern Europe.

Tobacco. U.S. exports of tobacco to the Community fell to $163 million in 1971-72 from $171 million in 1970-71. The decline was in flue-cured tobacco to West Germany. Many European countries, including Germany, have been increasing their tobacco purchases from other sources. In addition, tobacco stocks have been held at a minimum. Uncertainty over Rhodesia's role as an exporter of tobacco caused many importers to purchase only for current needs and to rely upon stocks.

Exports of bulk smoking tobacco increased to $13 million from $11 million. This includes processed sheet, which is becoming more important in the U.S. tobacco export trade. Exports of dark fire-cured and Green River leaf increased in the last year.

West Germany continued to be the most important EC market for U.S. tobacco ($90 million), the Netherlands was second ($29 million), and Italy was third ($27 million). The EC CAP for tobacco encourages the use of domestic tobaccos. The CAP tobacco program provides for increased price supports and provides for buyers' premiums—a discount for the purchase of domestically grown leaf.

Cotton. The value of U.S. cotton exports bounced back to $53 million from $35 million in 1970-71. The increase stemmed from greater demand as well as short world supplies. Because of the diminished supplies of other major exporters, the EC relied more upon the United States for its raw cotton in 1971-72 than in recent years.

Cotton's share of EC fiber demand continued downward. For example, cotton accounted for only 37 percent of total EC fiber use in 1970 compared with 50 percent in 1960. With the substantial rise in world production, the United States will meet renewed strong competition in the coming year despite the expected substantial rise in U.S. production.

(Continued on page 16)

Guyana Beef Plan Offers A Market to U.S. Breeders

By TREVOR O. B. LOVELL
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Port of Spain

GUYANA PLANS to up beef production and possible exports to Trinidad and Tobago. Such expansion will require large numbers of cattle imports —a good market potential for U.S. breeding cattle. The level of U.S. exports of fresh and frozen high-quality prime beef to Trinidad and Tobago is not expected to be adversely affected by exports from Guyana.

Until recently the occurrence of foot-and-mouth disease in the Central Repununi district of Guyana has limited beef exports to modest quantities produced in the coastal districts and destined for a few neighboring countries. However, with apparent control of the disease since early 1970, the Guyanese Government invited Trinidad and Tobago officials in August 1971 to explore the possibility of importing Guyanese beef.

To date no commitment has been announced. The lasting possibility of a new outbreak of foot-and-mouth disease that might jeopardize the infant dairy industry in Trinidad and Tobago is believed to be the main cause for the delay in importing Guyanese beef. Guyana shares borders with Brazil and Venezuela, both of which have the disease. Cattle cross the dividing river during the dry season and intermingle, and wild cloven-hoofed animals migrate throughout the region. Free trade also is conducted across the borders.

However, developments have been taking place in Guyana's beef industry that favor growth of export markets. Positive measures to modernize and expand Guyana's beef industry began with training of cattle ranch managers in the United Stats in 1967-68. In 1969 the Guyana Ministry of Agriculture and Agency for International Development cooperated in initiating a beef production research project at Ebini in the intermediate savannas. Approximately 300 square miles are available now for range feeding and 3,200 square miles remain uncleared.

Also in 1969, the Government of Guyana revised its 7-year Agricultural Development Program to highlight beef production with a goal of 12 million pounds of beef per year by 1972. To achieve this goal a Livestock Development Corporation was established to develop beef cattle projects in the East Demerara and West Berbice areas. These areas abound in good pastures, are close to urban markets, and have roads and electricity.

Two years later the Government established a cattle breeding station on 600 acres in the Kaituma-Arakaka district to supply cattle farmers in the area with young animals. Cattle cooperatives were formed and molasses and urea feeding trials initiated by the University of the West Indies.

In the same year, a US$2.2 million loan was negotiated with the World Bank for financing part of a 27-ranch project with 50,000 to 60,000 head of cattle. The World Bank's loan finances about half of the total cost of the project and covers the foreign exchange component. This project includes:

- Developing 25 ranches, mainly cooperatives but also private-company and partnership ranches. Of these, 15 ranches would be in the coastal areas, each with 10,000 acres and 2,000 head of cattle. Another 10 ranches, both commercial-company and Amerindian tribal ranches, each with 64,000 acres and 1,000 head of cattle, would be located in the Rupunni savannas.
- Developing two ranches belonging to the Livestock Development Corporation—one at Mara in the coastal area, covering 20,000 acres, with about 3,000 head and a small breeding herd; the other a 200,000-acre ranch at St. Ignatius in the Rupunni, with 3,000 head of cattle.
- Providing equipment for chain clearing coastal lands for pasture and technical services for the project's implementation.
- Developing technical, marketing, and processing projects as well as pilot research for pasture establishment with tropical legumes, animal production trails, and use of urea/molasses supplements.
- An important feature of the project is grouping small coastal cattle owners into commercial ranching enterprises. A number of these owners have agreed to transfer their cattle as equity to enterprises that they would cooperatively own. Suitable rules for organizing and managing these cooperatives have been drafted and agreed upon with the World Bank. These cooperatives will be encouraged to establish ranches on new land the Guyanese Government will make available through 25-year transferable and renewable leases for ranches participating in the project.

Efforts to increase beef output have resulted in a 10-percent rise in output from 1965 to 1970. Total beef pro-

duction (carcass weight) increased from slightly more than 8 million pounds in 1965 to more than 8.8 million pounds in 1970, when total cattle population was estimated at 256,600 head.

As an added stimulus to domestic beef production, Guyana placed import controls on fresh and frozen beef and veal. However, in 1968 more than 1.2 million pounds of beef and veal (fresh, frozen, salted, and dried) were imported—318,540 pounds from the United States. By 1970 such imports had risen 24 percent, to more than 1.5 million pounds. U.S. beef and veal accounted for 889,896 pounds—an increase of 179 percent from 1968 to 1970. In 1970 salted and smoked beef and veal accounted for 92 percent of all beef and veal imported and 99 percent of the beef and veal imported from the United States.

Trinidad and Tobago also have import quotas on beef and veal. In 1965, domestic production of pork and poultry saturated the local market and necessitated Government-induced market protection to reduce substitution of imported beef for domestic pork and chicken. Since that time, the size of the beef quota has been determined largely by the output of locally produced pork and chicken. Although production of these commodities has generally continued at high levels, except for an exceptional drop in pork output during 1970, the growing demand for beef has led to progressively larger import quotas.

Trinidad and Tobago imported some 7 million pounds of fresh and frozen beef during 1970, the United States supplying 93,088 pounds. U.S. exports consist almost entirely of high-quality prime beef. Substitution for prime beef is minimized by the substantial demand from hotel, restaurant, aircraft, and ship catering services for prime beef along with a shift in local consumer preference for high-quality product consistent with growing incomes.

In the early stages of Guyana's further beef industry development, it will most likely not be able to satisfy its domestic demand for salted and dried product. Therefore, Trinidad and Tobago's imports of Guyanese beef may be limited initially to the fresh and frozen product. If such trade occurs, a breakthrough into the Trinidad and Tobago market could pave the way for Guyanese beef to other markets in the Caribbean Free Trade Association.

Turkish Raisin Seminar Examines Production and Export Problems

Overproduction, surplus stocks, lack of domestic market growth, and increasing competition from other exporting countries—all problems facing the Turkish raisin industry—were among the topics discussed at a recent seminar in the Turkish city of Izmir. Attended by Turkish Government officials, farmers, processors, exporters, and university spokesmen, the seminar was sponsored by the Izmir Commodity Exchange, the leading raisin market in the Province of Izmir, one of Turkey's two raisin-producing regions.

Major attention during the early part of the 3-day seminar was given to production problems. The need for replacing many sultana vines was pressed by some speakers who noted that some vineyards are seriously threatened by nematodes and phylloxera. The speakers recommended that present grape rootstock be replaced with resistant vines from the United States.

Also examined was the subject of product deterioration. Speakers claimed that periodic drops in Turkish sultana quality were generally due to excessive moisture during the drying period, not to various other causes to which poor raisin quality has been attributed.

The last day of the seminar was devoted primarily to examining some of the problems connected with foreign trade, prices, the Government support program, and the effects of overproduction on prices and markets.

Some speakers pointed to the apparent contradiction in the missions of the Turkish Ministries of Agriculture and Commerce as one of the dilemmas requiring a solution. Despite an onhand surplus equal to about half of the average annual crop between 1965 and 1969 (about 65,000 short tons in September 1971), speakers pointed out that the Ministry of Agriculture continues to stress increased sultana production. And while there is little chance of markedly increasing export sales, the Ministry of Commerce is charged with selling the surplus stocks. This paradox, the speakers stated, shows the need for long-term production and marketing planning.

To solve the raisin surplus problem, one speaker suggested that the Government sell these stocks at reduced prices. It was stated that after Turkey withdrew from the International Raisin Agreement in June 1971, Turkey was able to reduce prices to a more competitive level. As a result Turkish raisin exports reached a record level of 97,000 short tons, and were expected to go still higher in 1971-72—to some 105,000 short tons.

In 1970-71, Turkey was second as a producer of sultana raisins with a crop of 145,000 tons and first as an exporter. (The United States was top producer —193,000 tons total, of which 176,000 tons were Natural Thompson Seedless raisins—and fourth as an exporter, with shipments of 62,500 tons.)

It was claimed at the seminar that although Turkish exports of sultana raisins were high, they could be increased if standards of cleanliness were upgraded.

TARIS, a farm cooperative which also serves as the Government's raisin-purchasing agent, came under attack by some of the speakers, who said it could not adequately serve the Government as its support agency while at the same time seeking to represent raisin producers as export agent. However, a TARIS representative said that the organization had been given this role as the Government's support agency through legislative action and thus could not avoid it.

It was generally held that the Government's support program should be handled by an organization separate from the one involved in exporting raisins.

Stressing that domestic raisin consumption is at a low level, one speaker urged that an advertising campaign be started to develop that segment of the market. It was also suggested that an advertising campaign be undertaken outside of Turkey in order to better acquaint overseas customers with the quality of Turkish sultana raisins.

To carry on the work of the seminar, the delegates set up a committee, to further study the problems concerning sultana production and export, and to recommend solutions to the Government at a later date.

—Based on a report by MUSTAFA BASER
Office of the Agricultural Attaché
Izmir

Malawi's Smallholder Program May Boost Exports of Some Commodities

By WILLIAM R. HATCH
U.S. Agricultural Attaché
Pretoria

MORE OF MALAWI'S agricultural output may enter world markets in future years as its smallholder development program picks up steam and the country's estates seek to increase foreign sales.

The estates will attempt to up exports primarily of tobacco, tea, and sugar, while smallholders will try to boost output of cash crops having a high export value per unit of weight.

The smallholders program, financed by Great Britain, West Germany, the United States, and Nationalist China, will bring a number of major changes in the lives of the country's small farmers.

Per capita income, estimated in 1970 at $79 ($50 in cash and the remainder in produce), will probably increase, and many farmers will be brought into a currency economy for the first time. In addition, a large number of smallholders will change from subsistence farming to become limited commercial operators.

Government planners also believe the smallholder development plan may accelerate the current rate at which exports are increasing. Total exports are mounting at about 10 percent a year, while agricultural exports are climbing at about 9.1 percent a year. The largest portion of this is in estate farm produce, where the increase has been 12.2 percent.

In terms of dollars, the increase of exports of smallholder crops has been from $16.2 million in 1964 to $23.7 million in 1970 for a total increase of 46 percent. Exports of estate crops nearly doubled during the same period —from $12.9 million to $25.7 million.

U.S. trade data show this country's imports from Malawi are relatively small and totaled only $1.98 million in 1970 and $2.3 million the following year. The most important commodity was crude tea, which amounted to 97 percent of the total both years. The balance consisted mainly of dried legumes and seeds for planting.

For the most part, projects involving smallholders are being advanced at a leisurely pace and in simple steps under close Government supervision, but they are proving to be highly effective. The introduction of fertilizer and hybrid corn has boosted smallholder corn yields. Teaching small farmers to use spray has more than doubled cotton yields in some areas. A number of irrigation projects throughout the country also boost yield and output.

Because the estates have adequate finances and the know-how to increase output without close Government control, future expansion is generally being left to estate managers.

SUGAR IS ONE of Malawi's relatively new estate crops with potential for future growth. The country's first plantation and factory were established on the lower Shire River in 1963, and 3 years later about 6,000 short tons of sugar were produced. Outturn jumped to 36,100 tons by 1970 and to 37,000 tons 1 year later.

About 9,000 acres were planted in cane in 1972 and raw sugar outturn is estimated to be about 41,000 tons. Malawi has a U.S. sugar quota of 15,000 tons for 1973 and 1974.

Raw sugar production from the 1973 crop is forecast at between 62,000 and 65,000 tons, but further expansion is planned in order to try to get another quota after 1974.

In order to reach present export quotas, local consumption of sugar had been limited and for some time little was available on domestic markets. However, export goals have been reached and sugar is again available to Malawian consumers. Despite the restrictions, domestic sugar usage rose from 32,000 tons in 1970 to 36,000 tons 1 year later, and is expected to climb to 81,500 tons by 1980.

Tobacco production in Malawi is shared by smallholders and by large estates. In the past most flue-cured and burley tobaccos were produced on estates having large acreages. Smallholders, whose farms average about 1¾ acres, were limited to production of fire-, sun-, and air-cured leaf. In recent years, however, settlement schemes have resulted in "ganging" of small farms, making possible production of burley and to some extent flue-cured tobaccos on these combined units.

Although some of each year's tobacco crop does not get into commercial channels, making an accurate output estimate impossible, the crop's size is reflected by the amount of tobacco sold at auction.

In 1966, marketings of the crop stood at 40.8 million pounds, but they fell off steadily to 28.8 million pounds in 1969. The following year, marketings began to recover; they rose to an estimated 63 million pounds this year. The Agricultural Development and Marketing Corporation (ADMARC) a Government agency, markets Malawi's tobacco and several other commodities.

Tobacco production is expected to be up in the future. The development plan sets total tobacco output goals at 69 million pounds by 1975 and 80 million pounds 5 years later. A breakdown by type shows that estate production of flue-cured and burley tobacco will about equal the smallholder's crops, mostly of fire-, sun-, and air-cured tobaccos.

Rice production by Malawian smallholders has increased substantially in recent years. From 4,500 short tons in 1966, output grew to nearly 10,000 tons in 1970. The following year pro-

duction doubled after the Government established new irrigation projects on the Shire River and on the low-lying areas bounding the western shore of Lake Malawi.

Government plans call for rice production to reach 120,000 short tons of paddy by 1980. This increase in rice outturn is contingent on a large jump in irrigated acreage. However, indications are that much of the irrigated land will be used for other purposes; this could result in production falling short of the projected 1980 target.

Exports of rice are also expected to climb steeply in the decade between 1970 and 1980—from 3,100 short tons at the beginning of the period to 75,000 tons 10 years later. At present prices, rice is not an economic export crop when it must be shipped to countries other than Malawi's immediate neighbors.

Tea has been produced in Malawi for many years—some clones now in production are 60 years old. The older clones produced a tea considered by the trade to be of low quality. New plantings have been made, however, and the reputation of Malawi's tea has improved. At present, tea from the area is used to blend with more expensive teas.

To date, practically all Malawi's tea has been grown on estate-type operations; but recently smallholder programs have been established, and future expansion will involve large-scale growth in this sector.

Tea exports grew by 8 percent between 1967 and 1971, from 37.1 million pounds to 40.2 million. During the same period, however, value of these exports climbed by more than 29 percent, from $12 million to $15.5 million.

Until fairly recently tea has been Malawi's largest foreign exchange earner, but for the past few years

A Malawian smallholder learning to use a steel plow.

Hand weeding peanuts, one of Malawi's staple food crops.

tobacco has taken over and tea is now No. 2.

The future of Malawi's tea industry will depend on international market conditions and agreements covering tea production and exports. However, based on assumptions of a reasonable market, Malawi's goal is first to improve quality and then increase production.

There are about 50,000 acres of smallholder land that could be put into tea production. It is anticipated that yields can also be increased. Smallholder tea production is expected to be about 1 million pounds by 1975, and 4.4 million pounds by 1980. The forecast for total tea production is for 48 million pounds by 1975 and 57 million pounds by 1980.

Peanuts serve both as a domestic food crop and as a source of cash. It is estimated that over 50 percent of the crop is consumed on the farm as food, kept for seed, or sold on the local market. The remainder is marketed through ADMARC and is largely exported. Malawian peanuts are largely produced for the confection market.

Because peanuts and tobacco compete as cash crops, and because the demand for labor to work the peanut crop comes at a time when labor is in demand for other crops, the future of peanut production is questionable.

In 1971 ADMARC marketed 41,900 short tons of peanuts. Projected production for the marketed crop in 1975 is 72,000 short tons, climbing to 110,000 tons by 1980. From this production, exports are expected to be 67,000 tons in 1975 and 100,000 tons in 1980.

Cotton is grown entirely by Malawian smallholders and provides a cash crop for many of them, particularly in the Shire River Valley in the south.

Crop production has been erratic in recent years as a result of weather changes and variations in the presence of boll worm. Seed cotton production ran at about 20,000 tons in the early sixties, fell to 13,000 tons, then increased to over 20,000 tons the last few years. The 1970 production of seed cotton was 23,500 short tons; lint cotton was 32,000 bales. Projected production is 63,000 tons of seed cotton and 87,000 bales of lint cotton by 1980.

Domestic lint cotton consumption is now about 8,000 bales annually; exports account for the remainder of the crop. Following the twists and turns of production, cotton exports also have shown large fluctuations in recent years. In 1964 through 1966, exports ranged from 18,000 to 28,000 bales. For the next 2 years they were about half the higher figure, but in 1969 and 1970 they recovered, climbing to 27,000 bales in 1970.

U.S. Beef Breeding Cattle Will Help Upgrade Malaysia's Livestock

Malaysia received its second shipment of U.S. beef breeding cattle in early August. The purchase was a cooperative project by three agencies of the Malaysian Government—the Veterinary Division of the Ministry of Agriculture and Fisheries, MARDI (Malaysian Agricultural Research and Development Institute) and the Agricultural University at Serdang.

The shipment, comprising a mixed lot of Santa Gertrudis, Brahman, and Braford/Brangus crosses, arrived via air charter from Florida. Despite the long flight (approximately 24 hours), the condition of the 125 animals was excellent. The shipment included nine bulls and 116 heifers.

After arrival, the cattle were trucked to the Federal Experimental Station at Serdang, Selangor, for a 1-month quarantine period. If no diseases are observed during the quarantine period, a breeding program will then be initiated, using the imported bulls as sires. Some bulls will be sold to persons interested in raising cattle on a commercial scale while others will be distributed to various cattle projects in West Malaysia.

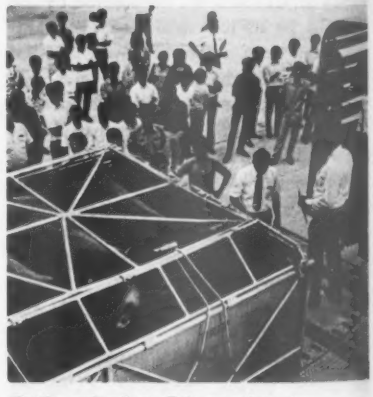
Malaysia's first air shipment of U.S. cattle included 130 head of Santa Gertrudis, Brahman, and Brahman/Hereford crosses which arrived in Singapore for transshipment to the State of Sabah, East Malaysia, in November 1971. The 20 bulls and 110 heifers are getting along well in the tropical environment. In fact, the State of Sabah is interested in purchasing additional cattle in the near future.

The Government of Malaysia's initial imports of U.S. beef cattle augurs well for the future of the local livestock industry. If these cattle, bred under similar climatic conditions in the United States, also thrive well in the Malaysian environment, the private sector may then feel more inclined to emulate the official example and invest in commercial beef breeding enterprises.

Hitherto, the traditional bias against breeding the larger farm animals under tropical conditions has been blamed on the luxurious tropical growth which makes it difficult and costly to establish pastures. Tropical conditions also favor the development and spread of animal diseases and pests, making commercial ranching an opportunity that is as yet untested.

With endemic and epizootic diseases much more under control through advances in veterinary science and animal husbandry, the importation of U.S. beef cattle could well form the nucleus for an unprecedented expansion in beef cattle breeding in Malaysia. In the ab-

(Continued on page 16)



Cattle unload at Subang airport.

Portugal Removes Restrictions on Cotton Sales by Overseas Provinces

Under a new law, Angola and Mozambique—Portuguese overseas Provinces in Africa—have been able since June 6 this year to sell their raw cotton in international markets without being required to meet the needs of the Portuguese textile industry first. As a result, the United States and foreign competitors may find it easier to market cotton in Portugal.

The law will probably be effective only for the 1972-73 crop. Although theoretically the cotton harvested in May and June in Mozambique and during May through August in Angola has now been freed from the cotton trade restrictions previously imposed by metropolitan Portugal, fixed Portuguese import prices for the 1971-72 crop (year beginning August 1) had already been set before the new law was enacted.

Cotton production in Mozambique and Angola has grown rapidly of late, but it has not kept pace with the Portuguese cotton textile industry. Production in Mozambique averaged about 160,000 bales (480 lb. net) during 1960-64. In the late 1960's, it increased to an annual average of 200,000 bales, owing mainly to an expansion of acreage. Declines in acreage and poor weather in 1970-71 and 1971-72, however, reduced production to 180,000 and then 175,000 bales.

Angola, traditionally supplying a much smaller portion of Portugal's raw cotton requirements than Mozambique, has increased production from an average of 20,000-35,000 bales in the early and mid-1960's to an estimated 135,000 for 1970-71. During this period, cotton acreage in Angola doubled and yields per acre tripled. But in 1971-72, widespread drought has caused an estimated 40-percent decline in production, to only 80,000 bales.

Very little of this cotton is consumed locally in the overseas Provinces—only an estimated 30,000 bales in Mozambique and 10,000 bales in Angola in 1971-72. The rest of the cotton in the past has been shipped to Portugal at prices fixed by Portuguese authorities.

Initially, it was planned to release only 20 percent of the cotton production in Angola and Mozambique for sale on the world market in 1972. This percentage would have been increased gradually over a 5-year period until all restrictions on the sale of raw cotton were removed. It now appears that the recent Government decree will permit all cotton from Mozambique and Angola to be sold without restrictions on the world market beginning this year.

On a calendar year basis, Portuguese imports of raw cotton have risen sharply since the early 1960's. Although they amounted to approximately 265,000 bales in 1960, with the overseas Provinces supplying 84 percent of the Portuguese market, they grew to somewhat more than 446,000 bales in 1969, of which the overseas Provinces supplied 64 percent; and 1971 imports are estimated at almost the same level —442,000 bales, 74 percent from Angola and Mozambique.

Turkey has been next to Mozambique and Angola as a cotton supplier for the Portuguese market, supplying 45,000 to 60,000 bales annually in recent years. Greece, Guatemala, Nicaragua, Egypt, Colombia, and Brazil have also supplied cotton to Portugal, but—with the exception of Egypt—they have all shipped less in recent years.

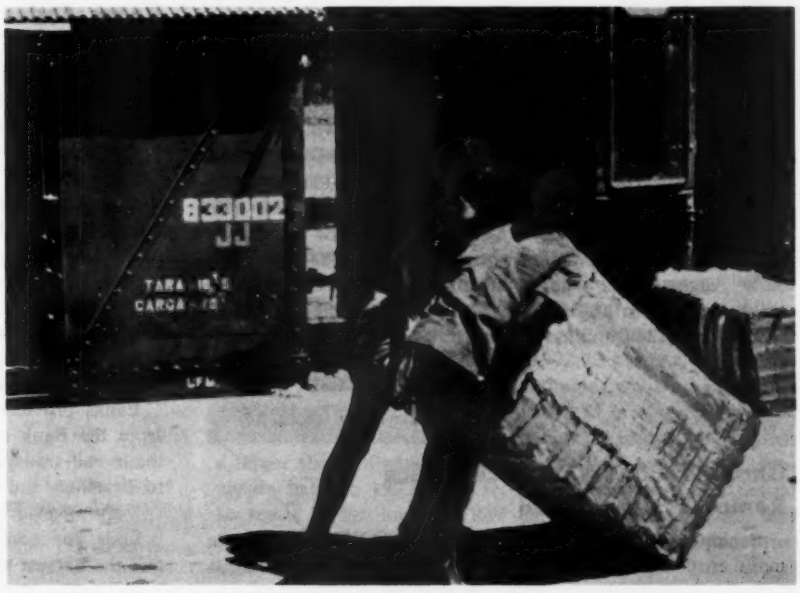
Permitting Angola and Mozambique to sell their cotton in other world markets may leave more opportunity for foreign competitors to sell cotton to Portugal. The United States may benefit from the move. U.S. cotton sales to Portugal fell from an average of 22,000 bales in the early 1960's to only 7,000 by the late 1960's. No U.S. cotton was imported in 1970, but tight world cotton supplies in 1971 helped spur imports of 8,000 bales from the United States last year. A low Mozambique crop harvested this summer and current competitive U.S. prices for fall delivery may help the United States to increase its share of the Portuguese market in 1972. —By MARY W. CHAVES

Cotton Division
Foreign Agricultural Service

PORTUGAL: COTTON IMPORTS FROM PRINCIPAL SOURCES
[In thousands of bales of 480 lb. net]

Country of origin	1967	1968	1969	1970	1971
Angola	29	50	73	92	163
Brazil	3	13	23	7	4
Colombia	4	5	15	6	—
Egypt	5	5	6	5	6
Greece	10	27	16	11	10
Guatemala	20	15	10	4	—
Mexico	3	1	7	1	—
Mozambique	169	181	214	208	165
Nicaragua	24	14	11	3	—
Sudan	4	3	3	6	1
Turkey	48	59	46	48	60
United States	2	13	8	0	8
Other	9	9	14	16	25
Total	330	395	446	407	442

Loading cotton for export from Mozambique.



CROPS AND MARKETS

FATS, OILS, AND OILSEEDS

Canada's Rapeseed Crop Declines

Canada's first rapeseed production forecast (released September 7 and based on crop conditions as of August 15) indicated 1972 production at 59.5 million bushels, a decline of 37 percent or 35.5 million bushels from the 1971 production of 95 million. Rapeseed acreage, reduced to 3.27 million acres, was 38 percent below last year's acreage of 5.30 million. Average yields, however, increased to 18.2 bushels per acre from 17.9 bushels a year ago.

LIVESTOCK AND MEAT PRODUCTS

Rhodesian Breeding Cattle Airlifted to Angola

Rhodesia has sold 10,000 head of breeding stock to several private buyers in Angola, of which more than 1,000 head have already been airlifted on 18 flights. Such sales are earning Rhodesia valuable foreign exchange, according to a director of the company in Salisbury.

Previously Rhodesia has imported breeding stock, but the country's stage of development is now such that there is a surplus. Reportedly Charolais is the main breed being exported to Angola, but a sizable number of Sussex is also included in the 10,000-head order.

New Zealand Lifts Ban on Mutton Exports to United States

The New Zealand Meat Producers Board announced on August 25 that its ban on mutton sales to the United States had been lifted in response to American requests for a greater flow of meat. The ban had been imposed a number of years ago to ensure that the restraint levels were fulfilled with higher returning beef and veal shipments. The announcement is unlikely to significantly affect 1972 U.S. arrivals as early August press reports put uncommitted New Zealand stocks of mutton at less than 11.2 million pounds out of a total kill of 224.0 million pounds.

SUGAR AND TROPICAL PRODUCTS

Ghana's Cocoa Producer Price Remains Unchanged

Beginning with the opening of the 1972-73 cocoa bean main crop season on September 1, 1972, Ghanaian cocoa farmers will receive 10 cedis per 60-pound headload (U.S. 13 cents per pound), the same price as paid during the previous harvest season.

Ghana is the largest supplier of cocoa to the United States; in 1971, U.S. imports from Ghana amounted to $79 million.

USSR Sugarbeet Crop Affected by Hot Weather

Unusual, extreme heat this summer has caused serious difficulties for some sugarbeet growers. According to a Soviet news article, several sugarbeet areas in the country will not be able to fulfill their quotas for marketing sugarbeets for factory use.

Prospects in the Ukraine, the major sugarbeet growing region, however, reportedly were hopeful, even though some eastern areas of the Republic were not expected to meet production plans. Sugarbeets in the more important western part of the Ukraine were said to be in good condition. Despite some losses, Ukrainian specialists had affirmed that the Republic's output this year would be no less than last year's 46 million tons, according to the article.

In 1971, total USSR sugarbeet output fell 8 percent below the 1970 level because of adverse growing and harvesting conditions. At this time, it appears that the 1972 output may not be much larger than the disappointing level of 1971.

COTTON

Bolivia's 1972 Cotton Boom Fades

Bolivia's 1972 cotton production was 71,000 bales on an area of 116,000 acres. This is 33 percent above the 1971 record of 53,000 bales, but a disappointment to farmers, who had expected a harvest of 138,000 bales.

Bolivia's cotton boom started in 1971 when farmers increased area to 44,000 acres. Prior to 1968, Bolivia was a net importer of cotton, and its goal was 16,000 to 18,000 bales, to supply the domestic textile industry. The high prices of 1971 and export earnings estimated at $4 million launched a boom. Farmers imported by air 1,377 bales of U.S. cottonseed, diverted a third of the sugar lands (14,000 hectares) to cotton, and expanded total area 116,000 acres. They counted on making export earnings of $18 million from an export surplus of 110,000 bales.

Banks provided $13 million in loans including $6 million from the Bank of Brazil. The Cotton Growers Association made rail transport arrangements to ship 46,000 bales each to Brazilian and Argentine ports.

Very adverse weather reduced yields to an average of 294 pounds per acre (compared with 421 lb. in the 1960's) and the harvest to 71,000 bales. Very dry weather postponed

the planting season from October 20 to December 1. Heavy rainfall in April prevented maturing and fungus diseases caused rotting of the bolls. Farm labor was so scarce that growers published appeals and the Ministry of Defense sent 7,500 soldiers to assist in harvesting. Daily wages for workers or soldiers was 18 Bolivian pesos ($1.52) plus meals. The average cotton price was $34.50 a quintal (34.5 cents a pound).

BOLIVIAN COTTON PRODUCTION

Year	Area	Production	Imports
	10,000 acres	*1,000 bales*[1]	*1,000 bales*[1]
1961	5	5	2
1962	6	5	8
1963	6	6	11
1964	9	8	11
1965	9	9	2
1966	13	13	7
1967	12	13	17
1968	15	16	1
1969	17	20	—
1970	20	23	—
1971	44	53	—
1972	116	71	—

[1] Bales of 480 lb. net.
Carmen Deere-USAID Bolivia (to 1968)

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 20	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	2.52	+17	1.96
USSR SKS-14	(1)	(1)	1.89
Australian FAQ[2]	2.18	+16	1.69
U.S. No. 2 Dark Northern Spring:			
14 percent	2.33	+21	1.85
15 percent	2.42	+22	1.96
U.S. No. 2 Hard Winter:			
13.5 percent	2.25	+13	1.79
No. 3 Hard Amber Durum	2.28	+14	1.78
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	1.71
Feedgrains:			
U.S. No. 3 Yellow corn	1.65	+8	1.35
Argentine Plate corn	1.93	+3	1.63
U.S. No. 2 sorghum	1.67	+4	1.38
Argentine-Granifero sorghum	1.69	+3	1.39
U.S. No. 3 Feed barley	1.52	+2	.98
Soybeans:			
U.S. No. 2 Yellow	3.91	+6	3.37
EC import levies:			
Wheat[3]	[4] 1.32	−31	1.47
Corn[3]	[4] 1.06	−8	1.00
Sorghum[3]	[4] 1.02	−4	1.00

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 21 cents a bu. lower than those of other EC countries. Note: Basis 30- to 60-day delivery.

Black Bean Deficit Continues in Venezuela

According to officials of the Venezuelan Government, the country's deficit of black beans has risen to 26,000 metric tons. The deficit is covered by imports from the United States, Mexico, and Colombia.

To increase the domestic availability, there are plans to plant 30,000 hectares to black beans during September and October. The Agricultural Bank is helping finance the crop, and its prospects are also being helped by the high price guaranteed to the producer.

Projecting a yield of 361 kilograms per hectare (the 1971 average), a crop in January-March should yield about 11,000 metric tons. However, since 5,000 hectares are being planted in the State of Bolivar and the average yield in that State has been only about two-thirds the national average, it is likely that the production for the summer crop will be less than 10,000 metric tons.

Grain Production in Canada Down From 1971 Harvest

According to an official forecast released September 7 based on August 15 conditions, 1972 wheat production in Canada will total 507 million bushels from 21.4 million acres, 4 percent below the 530 million harvested from 19.4 million acres in 1971. Yield is expected to drop to 23.8 bushels from the 27.3 bushels per acre in the 1971 harvest. Barley production will drop 17 percent to 498 million bushels and oats 19 percent to 293 million bushels.

Wheat Outlook for 1972-73 Greatly Changed Since July

The wheat outlook for the 1972-73 marketing year has changed markedly since the August issue of USDA's *Wheat Situation* was approved on July 31. Unprecedented world import demand and tightening exportable wheat supplies outside the United States have brought about a sharply higher estimate of U.S. wheat exports—from 800 million to a record of 1,125 million bushels. In addition to larger purchases by regular commercial customers, sales to the USSR, estimated to total around 400 million bushels for 1972-73, are much larger than had been anticipated. A recent purchase of 15 million bushels by the People's Republic of China also accentuated the turn in export events.

In contrast to exports, the estimate of domestic use has dropped from 805 million to 767 million bushels. Wheat feeding is expected to be lower because of rising wheat prices relative to feedgrain prices.

Total disappearance is now estimated at 1,892 million bushels, nearly one-fifth above the previous record in 1965-66 and well above the indicated 1972 crop of 1,560 million bushels. Prospective utilization suggests a carryover of 534 million bushels at the end of the 1972-73 season. This would be nearly 300 million below the estimate published in August and would be the smallest since 1967.

Hard Red Winter (HRW) wheat is expected to account for a larger share of exports than usual. Even with a large supply on hand in 1972-73, a record disappearance is expected to result in the lowest HRW carryout since 1951-52, and could place HRW in a relatively tight supply position prior to the start of the new crop harvest next May.

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FOREIGN AGRICULTURE

U.S. Exports to the European Community (Continued from page 7)

Fruits, vegetables, and nuts. U.S. exports of fruits and vegetables declined slightly to $62 million in 1971-72 from $65 million a year earlier. Most of the decline was accounted for by canned fruits, especially peaches, fruit cocktail, and pineapples. Somewhat reduced U.S. output, coupled with higher prices, discouraged U.S. exports.

Fresh fruits increased by $3 million to $22 million in 1971-72. Citrus accounted for nearly all of this increase. Exports of lemons and grapefruits have gained. Relaxation of the import restrictions on these products permitted the gains in 1971-72. Dried fruits were about the same as a year earlier, totaling about $11 million.

U.S. exports of vegetables and preparations rose to $22 million in 1971-72. Hops accounted for most of the increase. Reduced production in the Community required more imports in 1971-72. Other increases have occurred in exports of dried beans and miscellaneous vegetable preparations.

Exports of nuts and preparations advanced $10 million to $32 million with almonds accounting for the increase. Expansion in U.S. production and lower prices brought about by improved methods of production and harvesting have increased the competitiveness of U.S. nuts. The EC took approximately two-fifths of U.S. nut exports in 1971-72.

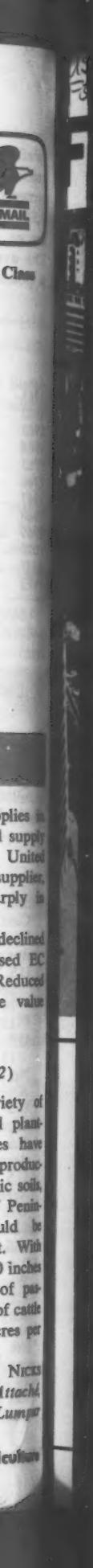
Hides and skins. Exports of hides and skins increased sharply to $42 million from $29 million a year earlier. Higher prices accounted for most of the gain as volume was about equal to a year earlier. Reduced supplies in Argentina created a tight world supply of hides and skins. With the United States being the other major supplier, U.S. prices were bid up sharply in 1971-72.

Tallow. U.S. tallow exports declined slightly to $32 million. Increased EC supplies discouraged imports. Reduced prices represented most of the value decline.

Malaysia's Livestock Industry (*Continued from page 12*)

sence of major obstacles, commercial ranching could well be a much better money-maker than some of the currently grown crops.

This of course remains to be seen. If commercial ranching becomes established in Malaysia, the establishment of ancillary industries to the livestock industry will follow, thereby creating additional employment. In such an event, a viable livestock industry will help ease the current unemployment problem.

Earlier, the former U.S. Agricultural Attaché at Kuala Lumpur, Dale K. Vining, had arranged to obtain from the United States a wide variety of fodder grasses for experimental planting in Malaysia. These grasses have shown positive results of high productivity. With vast tracts of volcanic soils, especially in the eastern part of Peninsular Malaysia, pastures could be established at a minimum cost. With fairly heavy rainfall of 90 to 120 inches annually in Malaysia, an acre of pasture land can support four head of cattle a year as opposed to several acres per head of cattle a year elsewhere.

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